

Message Text

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

DEPT OF TREASURY

INFO USSAGE NAKHON PHANOM

CINCPAC

COGARD

AMEMBASSY BUDAPEST BY POUCH

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

UNCLAS STATE 047503

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: FEBRUARY 3 EA PRESS SUMMARY

1. INDOCHINA

NVA AND VC REPS HAD HEATED CONFRONTATION WITH CODEL IN SAIGON WHEN US GROUP UNSUCCESSFULLY SOUGHT INFO ON MIAS (WSJ). REP CHAPPELL TOLD HANOI REPS THAT THEIR ATTITUDE CONVINCED HIM TO VOTE FOR SUPPLEMENTAL (CSM), ACCUSED UNCLASSIFIED

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NVN OF MURDER IN ATTACKS ON AMERICANS SEARCHING FOR MIAS. SEN BARTLETT CALLED NVN STATEMENTS "HOGWASH." OTHER CODEL MEMBERS MORE CONCILIATORY, INCLUDING ABZUG AND FRASER, AND URGED IMPROVED RELATIONS BETWEEN NVN AND US.

MCCLOSKEY WARNED IF DRV DOES NOT PERMIT US OR JOINT PARTY INSPECTION TEAMS TO SEARCH CRASH SITES, MANY CONGRESSMEN MAY VOTE FOR AID INSTEAD OF AGAINST. ABZUG PROPOSED THAT NVN DEL INQUIRE ABOUT LISTS OF MIAS SUBMITTED BY CODEL; NVN REP AGREED RECEIVE AND TRANSMIT LISTS, BUT MADE NO FIRM COMMITMENTS OF PROMISES (CHITRIB). REP FLYNT ASKED WHAT STEPS TAKEN TO FACILITATE RECOVERY OF MIAS AND BNRS; NVN DEL READ PAPER ACCUSING US OF VIOLATING C-F BY SPY FLIGHTS, AID TO SVN, AIRLIFT TO PP, AND NOT PROVIDING RECONSTRUCTION AID TO NVN.

NYT'S MARKHAM CALLS ENCOUNTER OVER MIAS "HEATED, THEATRICAL, NOTES FORMER USMC COL MURTHA DID NOT ATTEND BECAUSE FEARED LINGERING HATRED FOR VIET COMMUNISTS MIGHT FLARE. WP'S MCCOMBS (ALSO IN GLOBE) DESCRIBES ENCOUNTER, NOTES THAT FLYNT'S INSISTENT DEMANDS FOR INFO ON MIAS INTERRUPTED VC GENERAL IN 2ND MEETING, BRINGING IT TO "PREMATURE AND ACRIMINIOUS CLOSE."

ISAACS (SUN) SEES MEETING ON MIAS VIVIDLY DISPLAYING GULF BETWEEN US POLITICIANS' CREED OF REASONABLE COMPROMISE AND VIET ATTITUDES SHAPED IN DECADES OF HARSH WAR. CODEL SOUGHT TO SET ASIDE MORE INTRACTABLE ISSUES AND HAVE DIALOG ON MIAS, BUT NVA AND VC REFUSED CONSIDER MIA QUESTION SEPARATE FROM REST. DESCRIBES BITTER EXCHANGES IN TWO MEETINGS, REVIEWS MIA DEADLOCK.

SEN BARTLETT SAID BELIEVED GROUP WOULD RECOMMEND HAK BEGIN TALKS WITH NVN, CHINA, AND RUSSIA TO END CURRENT FIGHTING (WSJ) IN STATEMENT BEFORE CODEL DEPARTURE FOR WASHINGTON TO REPORT TO PRES AND CONGRESS (CHITRIB; AP, PHINQ). ISAACS QUOTES BARTLETT THAT CODEL PROBABLY WANTS SECSTATE TO NEGOTIATE MUTUAL REDUCTIONS OF ARMS SUPPLIES WITH RUSSIA AND CHINA, AND ENCOURAGE THEM TO USE INFLUENCE WITH N VIETS TO REDUCE WAR LEVEL. MARKHAM NOTES THAT CODEL CONTAINED 3 HAWKS, 1 DOVE AND 4 "SOMEWHERE BETWEEN," AND SEVERAL SAID GROUP HAD REACHED ROUGH UNCLASSIFIED

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CONSENSUS THAT IMPERATIVE FOR HAK TO INVOLVE US AGAIN IN SEARCH FOR NEGOTIATED SETTLEMENTS TO VN AND CAMBODIAN WARS. MCCOMBS REPORTS CODEL LEFT WITH CALL TO SECSTATE FOR MAJOR NEW DIPLOMATIC INITIATIVE. MCCOMBS SAYS CODEL MEMBERS MADE FEW STATEMENTS ON ARRIVAL, BUT SEEMED TO HAVE FORMED MANY OPINIONS AND SPENT MUCH TIME MAKING THEM KNOWN TO PRESS. ADDS THAT NOT KNOWN IF GROUP WILL ISSUE SINGLE OR SEPARATE REPORTS.

SUN'S ISAACS (3/1) SAYS CODEL TOUR TURNED, FOR SOME MEMBERS, INTO SEMINAR ON POLITICAL FREEDOMS UNDER THIEU, AND ISSUES ALSO INVOLVED US EMBASSY ROLE AND WHETHER US CONDONING OR EVEN ASSISTING POLICE-STATE TACTICS. NOTES EMBASSY

DISCLOSURE TO BARTLETT AND MCCLOSKEY OF EVIDENCE AGAINST 18 JAILED JOURNALISTS SUGGESTED CLOSE RELATIONSHIP BETWEEN US INTELL OFFICERS AND SVN NATL POLICE, AND "SEEMED CONSISTENT" WITH AMB MARTIN'S POLICY OF UNQUALIFIED SUPPORT FOR ALL THIEU'S ACTIONS. REPORTS SVN POLICE DENIED MCCLOSKEY STATEMENT THAT CODEL MEMBERS TALKED PRIVATELY WITH ARRESTED REPORTERS. ABZUG AND MCCLOSKEY SAID ISSUE OF POLITICAL REPRESSION WILL WEIGH HEAVILY IN DECISIONS ON SUPPLEMENTAL. MARKHAM (NYT 3/1) QUOTES MCCLOSKEY THAT US EMBASSY POLICY APPEARS TO BE "TOTAL

ACQUIESCENCE" IN GVN POLITICAL PRISONER ARREST. NOTES MARTIN'S CONSISTENT AND VIGOROUS DENIALS THAT ANY CASE HAS COME TO HIS ATTENTION OF ANYONE IMPRISONED IN SVN FOR POLITICAL REASONS.

AP QUOTES MCCLOSKEY THAT AT NATL PRISON CENTER HE LEARNED THAT OF 32,000 PRISONERS, OVER HALF NOT YET JUDGED (AP, PHINQ). NYT'S MARKHAM REPORTS ABZUG, FRASER AND FENWICK VISITED BINH TUY PROV CAPITAL TO INTERVIEW IMPRISONED SAIGON STUDENT LEADER; ABZUG SAID PRISONER APPEARED IN GOOD HEALTH THOUGH HE SAID HE HAD BEEN TORTURED AFTER 1972 ARREST. ISAACS (3/3) NOTES SEVERAL CODEL MEMBERS PURSUED ISSUES OF POLITICAL PRISONERS AND LIBERTIES IN SVN. MENTIONS ABZUG AND 4 OTHERS WENT TO SEE IMPRISONED NEWSMEN BUT LEFT WHEN TOLD THEY HAD TO BE ACCOMPANIED BY POLICE AND COULD ONLY ASK VERY LIMITED QUESTIONS. QUOTES MCCLOSKEY THAT FINDINGS "CAST INTO QUESTION" AMB MARTIN'S UNCLASSIFIED

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OFT-REPEATED ASSERTION EMBASSY HAD CHECKED, FOUND NO POLITICAL PRISONERS IN SVN, AND THAT FIGURE OF 32,000 GIVEN FOR TOTAL PRISONERS IN SVN DOES NOT INCLUDE THOSE HELD IN PROV INTERROGATION CENTERS. MCCOMBS QUOTES MCCLOSKEY'S OPINION SVN PRISONERS WHO NEVER TRIED "FIT THE PATTERN" OF POLITICAL PRISONERS, AND THAT AID WILL HAVE TO BE CUT OFF UNLESS SVN GIVES PRISONERS FAIR TRIALS. FENWICK NOTED IMPRISONED JOURNALIST LOOKED "SCARED TO DEATH" AND DIDN'T DARE SAY ANYTHING. NOTES CODEL SAID EMBASSY ASSURANCES RECEIVED THAT CONDITIONS FOR INTERVIEW WITH IMPRISONED NEWSMEN ARRANGED BEFORE HAND, THEN LATER LEARNED "EMBASSY HAD FAILED TO DO THIS."

MCCOMBS ALSO REPORTS MCCLOSKEY IN BREAKFAST INTERVIEW SAID TRIP CHANGED HIS VIEWS SOMEWHAT - ALTHOUGH HE IS STILL RELUCTANT TO REACH FIRM CONCLUSION ON WHAT TO REPORT IN WASHINGTON. ADDED HE WAS "TREMENDOUSLY IMPRESSED" WITH SVN CAPABILITIES, SAID "AGAINST MY WILL AND DESPITE ALL THE FEELING AGAINST THE EMBASSY, I CAN'T HELP BUT FEEL AN AWFUL LOT OF RESPECT FOR WHAT THOSE PEOPLE ACCOMPLISHED."

ISAACS (3/1) REPORTS US EMBASSY TOLD CODEL 6.5 BILLION DOLS IN AID TO SVN OVER NEXT 3 YEARS COULD END NEED FOR LARGE-SCALE US ASSISTANCE, WITH 2.3 MIL AND REST ECON. NOTES FIGURE IS PRELIMINARY EMBASSY RECOMMENDATION AND WILL NOT NECESSARILY BE ESPOUSED BY ADMIN. UNCLEAR HOW SVN WILL SUPPORT ARMY IF WAR CONTINUES AFTER 3 YEARS. POINTS OUT US OFFICIALS SUGGEST INCREASED AID MIGHT DISCOURAGE COMMUNISTS FROM PURSUING GOALS ON BATTLEFIELD; BUT OTHER OBSERVERS FEEL MIL TIDE NOT LIKELY TURN SOON

IN FAVOR OF GVN.

CSM'S HEY REPORTS THAT SECRET TALKS ARE UNDER WAY BETWEEN DOS AND SENS CHURCH AND PEARSON IN EFFORT TO HAMMER OUT COMPROMISE MIL AID BILL FOR SVN. STATES SENS AIM TO BRING ABOUT AGREEMENT TO PROVIDE ADDITIONAL MIL AID, BUT LESS THAN 300 MILLION REQUESTED, IN RETURN FOR DEFINITE TIMETABLE FOR ENDING ALL US AID TO SVN - ECON AS WELL UNCLASSIFIED

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AS MIL. BELIEVES IF AGREEMENT REACHED, WOULD STAND GOOD CHANCE OF SENATE PASSAGE WHILE OUTLOOK LESS FAVORABLE IN HOUSE, BUT UNLESS COMPROMISE IS REACHED, EXTRA MIL AID HAS NO CHANCE, ACCORDING SEVERAL CONGRESSIONAL SOURCES. ADDS THAT COMPROMISE APPLIES ONLY TO SVN SINCE CONGRESSMEN "WIDELY AGREE" THAT TOO LATE TO SAVE CAMBODIA.

KNICKERBOCKER (CSM) DOES HUMAN INTEREST PIECE OF FORMER US ARMY CAPT WHO SERVED IN VN AND NOW, AFTER FINISHING EDUCATION, WILL RETURN UNDER AUSPICES OF AFSC TO WORK IN QUANG NGAI REHABILITATION CENTER.

GKR ORDERED ALL RICE BROUGHT IN BY AIRLIFT WITHHELD FROM CIVILIANS AND USED ONLY BY MILITARY (WSJ; UPI, PHINQ). DECISION BY LON NOL MEANS NO RELIEF IN SIGHT FOR STARVING RESIDENTS. SOCIAL WORKERS CONFIRMED THAT MANY REFUGEES BEING DENIED AIRLIFTED RICE, AND DEATHS FROM STARVATION INCREASING. PP RESIDENTS SAID RICE ALMOST IMPOSSIBLE TO OBTAIN (UPI, GLOBE). COMMUNISTS FIRE AT LEAST 10 ROCKETS INTO PP, KILLING AT LEAST 10, ACCORDING MIL SOURCES (AP, PHINQ; WP). MIL SOURCES REPORT DETERIORATING SITUATION ABOUT 6 MI W OF AIRPORT (WP).

NYT'S FINNEY (3/1) REPORTS AID TO GKR MAY HINGE ON WHETHER HOUSE APPR SUBCOMMITTEE VOTE IS SECRET, SINCE SUBC SO CLOSELY DIVIDED. PASSMAN SCHEDULED MEETING 3/4 TO CONSIDER AID, AND SOME MEMBERS BELIEVE DETERMINING FACTOR MAY BE WHETHER OR NOT PANEL DECIDES CONSIDER LEGISLATION IN CLOSED SESSION. PASSMAN SAID PUSHING FOR CLOSED-DOOR MEETING. COMMENTS THAT EVEN IF PASSMAN

WINS, LEGISLATION FACES FURTHER HURDLES, INCLUDING THAT ADMIN PROPOSING TO VOTE FUNDS FOR GKR THAT HAVE NOT BEEN AUTHORIZED IN SEPARATE LEGISLATION.

GWERTZMAN (NYT 3/1) WRITES THAT US PRESSES FOR NEGOTIATIONS TO END CAMBODIAN WAR, BUT DOS OFFICIALS SAID NOT CERTAIN WITH WHOM GKR COULD NEGOTIATE. IN 3/3 NYT, QUOTES DOS OFFICIALS THAT DESPITE HIS STATEMENT, THEY DOUBTED IF LON NOL WOULD STEP DOWN SO LONG AS INSURGENTS REFUSE TO NEGOTIATE (BOTH IN 3/3 USIA WIRELESS FILE).
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US AND ASIAN DIPLOMATIC SOURCES SAY "NOTHING NEW" IN LON NOL'S STATEMENT THAT SOME CODEL MEMBERS INTERPRETED AS OFFER TO STEP DOWN TO BRING PEACE, SINCE HE INSISTS ON BEING PARTY TO NEGOTIATIONS (WP). AMB DEAN NOT AVAILABLE FOR COMMENT, BUT DIPLOMATIC SOURCES SAY US WANTS LON NOL TO STAY ON AS "BARGAINING CHIP" IN NEGOTIATIONS. OTHER OBSERVERS BELIEVE LON NOL'S LACK OF FORCEFUL LEADERSHIP AND FAILURE TO RECRUIT FRESH TROOPS MAKE HIM LIABILITY AND THAT US POLICY OF NOT PRESSING FOR REMOVAL INDICATES BELIEF THAT LONG-TERM SITUATION IS HOPELESS (AP, GLOBE).

2. CHINA

NCNA BROADCASTS "HUNG CHI" ARTICLE BY YAO WEN-YUAN WARNING OF NEW BOURGEOIS ELEMENTS WHO "OPENLY BREAK THE LAW WHILE CUNNING BOURGEOIS ELEMENTS OF LONG STANDING DIRECT THEM FROM BEHIND THE SCENES." ARTICLE FOLLOWS MAO CALL FOR STUDYING NEED FOR CHINA'S WORKING CLASS TO EXERCISE DICTATORSHIP OVER BOURGEOISE (NYT, TOKYO).

NCNA REPORTS PRC AND MOZAMBIQUE HAVE AGREED TO ESTABLISH DIPLOMATIC RELATIONS JUNE 25, WHEN LATTER PROCLAIMS INDEPENDENCE FROM PORTUGAL (AP PHINQ, WP).

WSJ'S HARTLEY NOTES ROC ACCELERATING EFFORTS TO FIND OFFSHORE OIL. CONTINENTAL OIL WILL SOON BRING DRILLING RIG UP FROM MALAYSIAN COAST TO EXPLORE AREA OFF TAIWAN THAT HAS ALREADY PRODUCED SOME NATURAL GAS; AND GULF OIL PLANS SOON TO USE RIG IN OIL SEARCH ALONG NORTHERN SHORES. IF GAS FOUND DEVELOPS INTO BIG FIELD, SOME FEEL US CONCERNS MAY HAVE TO TAKE BIGGER SHARE IN FINANCING. SOME ROC OFFICIALS WORRY ALSO THAT PRC MIGHT ATTEMPT SEIZE OR SABOTAGE DRILLING PLATFORMS, PARTICULARLY IF ANY STRIKES ARE BIG. NOTES US HAS ADVISED AMERICAN FIRMS IT DOESN'T WANT AMCITS WORKING ON EXPLORATION RIGS -- STANCE IT NORMALLY TAKES WHEN EXPLORATION GOES ON IN DISPUTED WATERS.

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3. JAPAN

JOC'S CULLISON IN TOKYO NOTES FUKUDA TELLING PRESS OVER WEEKEND THAT GOJ SUCCESS IN REDUCING INFLATION TO LESS THAN 15 PERCENT BY END OF MARCH "MAY HAMPER" LABOR DRIVE FOR 20-30 PERCENT PAY RAISES THIS SPRING.

JOC CITES BANK OF JAPAN WARNING OVER WEEKEND THAT PREMATURE RELAXATION OF ANTI-INFLATION POLICY TO EASE RECESSION WILL INDUCE LABOR TO ASK HIGHER WAGES, THUS ACCELERATE PRICE INCREASES; BOJ REPORT ALSO CLAIMS WORLD INFLATION "EXPORTED FROM THE UNITED STATES AND BRITAIN." ' '

MITI OFFICIAL TELLS FOREIGN PRESS LONDON-BASED WORLD PETROLEUM CONGRESS TO HOLD 9TH CONGRESS IN TOKYO MAY 11; JAPAN ENDORSES HAK CONCEPT OF "INTERDEPENDENCE," HOPES FOR EXCHANGE OF VIEWS BY OIL-PRODUCERS, CONSUMERS, LEADING TO STABLE OIL SUPPLY AT STABLE PRICE (JOC).

JAPAN RECORDS 1.2 BILLION DOL BOP DEFICIT IN JAN, FIRST IN FIVE MONTHS, DUE TO SEASONALLY LARGE TRADE DEFICIT, 561 MILLION DOL INVISIBLES DEFICIT, AND TRANSFER PAYMENTS (CSM, JOC).

DAI-ICHI KANGYO BANK FORECAST 8 PERCENT REAL GNP GROWTH FOR JAPAN 1975-79, EXCEEDING 4 PERCENT ESTIMATED GROWTH IN EEC, OECD NATIONS (JOC).

WSJ (OSAKA) CITES MATSUSHITA REPORT EARNINGS SLUMPED 31 PERCENT IN FOURTH QUARTER ENDING NOV 20, DESPITE 8 PERCENT INCREASE IN SALES.

NYT'S HALLORAN IN TOKYO CITES MOF V-MIN BRIEFING LAST WEEK, THAT YEN SURGE RESULTS FROM WEAK DOL, REDUCTION JAPAN'S INFLATION RATE, STRONG EXPORTS, MORE FOREIGN PORTFOLIO INVESTMENT IN JAPAN; DENIED INFLOW OF SPECULATIVE FUNDS FACTOR, AND JAPAN'S HIGHER INTEREST RATES NOT "SUBSTANTIAL ATTRACTION." ADDS NOMURA SECURITIES ANALYSIS THAT YEN STRENGTH BASED ON DOL WEAKNESS, AND WHENEVER US MAKES ANTAGONISTIC UNCLASSIFIED

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STATEMENT OIL-PRODUCERS TRANSFER FUNDS FROM DOL TO EUROPEAN CURRENCIES.

CSM CARRIES PICTURE OF PRINCE AYA IN SCHOOL PLAY.

4. PHILIPPINES

NYT'S LELYVELD IN MANILA QUOTES MARCOS "OVERWHELMED" BY HEAVY APPROVAL IN REFERENDUM, PROMISES "RETURN TO THE DISCIPLINE OF THE EARLY DAYS OF MARTIAL LAW." IN TELEVISED CABINET MEETING, MARCOS ORDERED SENIOR CIVILIAN OFFICIALS, ALL MIL OFFICERS ABOVE RANK 1ST LT TO SUBMIT STATEMENT ON PRESENT ASSESTS, AND WORTH AT ENTRY HIS ADMIN; MARCOS SAID "INCREASES IN WEALTH WILL HAVE TO BE EXPLAINED." ADDED THAT

CLEAN-UP NEEDED BECAUSE OF "RECENT TENDENCY TOWARD COMPLACENCY" ON CORRUPTION, WHICH HE PROMISED TO ROOT OUT WHEN MARTIAL LAW PROCLAIMED. LELYVELD OBSERVES ORDER RESTATES EXISTING OBLIGATION "WITHOUT CREATING ANY NEW MACHINERY TO COMBAT CORRUPTION."

5. THAILAND

NYT BIO (MAR 1) DESCRIBES SENI AS URBANE MODERATE, OXFORD HONORS GRAD; GRANDFATHER SON OF THAI KING, THUS RELATED KING PHUMIPHOL. WILL NEED ALL POPULARITY GAINED IN THREE DECADES OF OPPOSITION MIL RULE, TO KEEP WEAK COALITION POWER; FIRST VOTE OF CONFIDENCE SEEN SOON AS ASSEMBLY PRESENTED PROGRAM.

6. AUSTRALIA

JOC'S STOVE IN SYDNEY SEES LITTLE PROSPECT FOR IMMEDIATE PROFITABILITY OF 43-STORY SYDNEY HILTON, OPENING MARCH 3, 18 MONTHS BEHIND SCHEDULE; TOURISM SLACK, AND AUSSIE FIRMS INSIST EXECS COMPLETE BUSINESS IN CITY FLY HOME SAME NIGHT TO AVOID EXPENSES.

7. BURMA

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TWO KILLED, 19 WOUNDED IN THREE RANGOON BOMBINGS, DURING 13TH ANNIVERSARY CELEBRATION OF NE WIN GOVT (WP).

8. GENERAL

CHAKAS OF ASSOCIATED CONTAINERS TRANSPORTATION-PACE LINE SEES GREAT POTENTIAL FOR SHIPPING TRADE BETWEEN AUSTRALIA AND US, CANADA, DESPITE INFLATION, RECESSION; LATTER NEED DOWN-UNDER PRIMARY PRODUCTS--MINERALS, MEAT, WOOL, PRODUCE, DAIRY PRODUCTS -- AND AUSTRALASIA WANTS MORE MANUFACTURED GOODS FOLLOWING INCREDIBLE GROWTH OVER PAST DECADE. SAYS CARRIERS STILL PLAN EXPAND SERVICE TO KEEP PACE WITH TRADE, BUT LESS

CHARTERING LIKELY (JOC).

9. KOREA

REUTER (SEOUL) CITES ECON PLAN BOARD ANNOUNCEMENT MAR 1 THAT KOREA GENERAL CHEMICAL CO TO SIGN 351 MILLION DOL JOINT VENTURE CONTRACT WITH AGRICO CHEM CO NEXT WEEK, TO BUILD SK'S SEVENTH FERTILIZER PLANT, CALLED NAMHAE CHEM CO (NYT).

10. MALAYSIA

AP (KL) NOTES MALAYSIA, SPEARHEADING DRIVE TO CONTROL FLOW NATURAL RUBBER TO WORLD MARKETS, HELD EXPLORATORY TALKS ON POSSIBLE JOINT ACTION RECENTLY IN THAILAND, INDONESIA. GOM OFFICIALS STRESS NOT TRYING FORM OPEC-LIKE CARTEL, BUT HIGH PRICE OF OIL, USED TO MAKE SYNTHETIC RUBBER, MAKES NATURAL RUBBER PRODUCERS MORE COMPETITIVE (SUN).

11. INDONESIA

JOC SAYS AMERICAN-INDONESIAN COC CELEBRATED SILVER ANNIVERSARY IN JAKARTA JAN 24; FORMER AMB. GALBREATH ATTENDED.

COMMENT AND ANALYSIS

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12. CHINA

TO SUN'S ED WU, IN HK, VICE PREMIER CHI TENG-HUEI'S WEEKEND CONDEMNATION OF US AID AIRLIFTS TO GKR AS "ACT OF AGGRESSION" WAS REMINISCENT OF CHINA'S ROUTINE ANTI-US TIRADES DURING VN WAR.

ACCORDING JOC'S STRAUSS, IN HK, TWO RECENT DEVELOPMENTS HAVE CHINA WATCHERS PERPLEXED, AS PRC HEADS INTO INTENSE STUDIES AND POSSIBLE STRUGGLES OF NEW MASS MOVEMENT. MORE CONFUSING, PERHAPS, IS POEM PRAISING CHOU APPEARING IN RECENT ENGLISH-LANGUAGE EDITION OF TA KUNG PAO, WRITTEN BY NZ COMMUNIST AND LONG-TIME PEKING RESIDENT. POEM NOTED THAT ALL LISTEN WHEN CHOU SPEAKS, "FOR HE HAD MUCH TO SAY ABOUT INTERNATIONALISM, THE LEADERSHIP OF CHAIRMAN MAO, AND OTHER THINGS PEOPLE WANT TO KNOW." STRAUSS SAYS RESONABLE INTERPRETATION MIGHT BE THAT CHOU IS BEING CONFIRMED AS NUMBER TWO.

SECOND UNUSUAL LOOK INTO PRC, STRAUSS ADDS, IS PEKING RADIO BROADCAST, PRAISING "MAIN FORCE" (I.E., NON-LOCAL) ARMY SHANTUNG REGIMENT FOR GIVING POLITICAL SUPPORT TO COUNTY PARTY COMMITTEE IN CAMPAIGN AGAINST CONFUCIUS /

LIN PIAO, BY USING PHYSICAL FORCE "AGAINST CERTAIN POINTS OF VIEW WHICH DID NOT CONDITION THEMSELVES TO UNITY.- STRAUSS SAYS SUCH INCIDENTS NOT OFFICIALLY REPORTED SINCE GPCR, AND IF THEY DO OCCUR, PLA NOT SUPPOSED TO BE INVOLVED -- TASK BELONGS TO PEOPLE'S MILITIA.

CITING NEW CAMPAIGN IN CHINA DEVOTED TO STUDY OF

PROLETARIAT DICTATORSHIP, STRAUSS FINDS IT DIVISIVE IN THAT PRC LEADERSHIP SEEMS DIRECTLY CHALLENGING INDUSTRIAL WORKERS WHO STRUCK LAST YEAR SEEKING HIGHER WAGES. WHILE MUCH CONFUSION ABOUT NEW MASS MOVEMENT, WHAT NOW APPEARS CLEAR IS THAT RECENT NPC IN ITSELF PRODUCED NO UNANIMITY; CURRENT CAMPAIGN WAS PART OF BARGAIN STRUCK BETWEEN FACTIONS.

NCUSCT'S THEROUX, ADDRESSING RECENT LUNCHEON MEETING UNCLASSIFIED

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OF INTERNATIONAL EXECUTIVES ASSN, RECOMMENDED THAT "IF YOU HAVE ANY INTEREST IN DOING BUSINESS WITH CHINA, START NOW." POINTED OUT THAT MASSIVE 10-1 EDGE OF EXPORTS OVER IMPORTS ENJOYED BY US IN TRADE WITH PRC OVER LAST TWO YEARS WILL BE REDUCED TO ABOUT 4-1 THIS YEAR. PREDICTED OVERALL TRADE VOLUME WILL BE DOWN FROM ABOUT 1 BILLION DOLS LAST YEAR TO ABOUT 700 MILLION IN 1975, REFLECTING REDUCTION MAINLY IN US WHEAT, CORN, SOYBEAN EXPORTS; POINTED OUT, HOWEVER, THAT ACTUALLY NON-AGRIC EXPORTS TO CHINA SHOULD INCREASE, REACHING AT 150 MILLION AND BALANCING ALMOST EQUALLY EXPECTED 150 MILLION OF US IMPORTS FROM CHINA.

THEROUX WARNED THAT WHILE RECENTLY-ENACTED TRADE ACT OF 1974 PROVIDES FRAMEWORK FOR "LONG OVERDUE" MFN TARIFF TREATMENT ON CHINESE EXPORTS, OTHER PARTS OF NEW LAW (SUCH AS CONDITIONS ON TARIFF BENEFITS, ANTI-DUMPING PROVISIONS, QUANTITATIVE AND STRATEGIC EXPORT CONTROLS, AND NEW CONGRESSIONAL INVOLVEMENT IN UPSETTING FOREIGN CLAIMS AS IN RECENT CZECH CASE) COULD RAISE NEW AND POTENTIALLY TROUBLESOME FACTORS IN US-CHINA TRADE RELATIONS. (JOC).

13. KOREA

NYT'S HALLORAN IN SEOUL (MARCH 1) PERCEIVES SHIFT IN SK POLICY TO "CLOSEST POSSIBLE TIE" WITH US, AWAY FROM MORE INDEPENDENT POSITION TAKEN AFTER NIXON INITIATED DETENTE IN 1971 AS ROKG OFFICIALS BELIEVE DETENTE DYING UNDER THREAT OF ME WAR AND CONTINUED INDOCHINA FIGHTING, US SOVIET TRADE DISPUTES, COOLING IN US-PRC RELATIONS.

ALSO SEE ARCHITECT OF DETENTE -- HAK -- IN TROUBLE
AT HOME, AND DISCERNs END OF NIXON DOCTRINE IN OPEN-
ENDED COMMITMENT TO SK BY SECDEF AS ONE OF "SMALL NUMBER
OF STRONGPOINTS" IN AREAS OF CRITICAL INTEREST TO US.

CONCLUDES NATURE OF RELATIONSHIP MEANS SK ASKS FOR
MORE THAN OFFERS US, BUT NOT ALL ONE-SIDED: ROK TROOPS

FOUGHT IN SVN IN RETURN FOR PROMISE TO MODERNIZE FORCES,
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AND SK IS RESPECTABLE 1.7 BILLION DOLLAR MARKET FOR
US GOODS, SOURCE OF 1.5 BILLION IN IMPORTS. OBSERVES
RECENT GESTURES TOWARD DISSIDENTS BY PARK SEEM DESIGNED
AS MUCH FOR US AS KOREAN CONSUMPTION. US OFFICIALS
IN SEOUL CONTEND US DETERRENT NEEDED TO PRECLUDE
CONFLICT THAT ONCE STARTED COULD NOT BE LOCALIZED,
AND WOULD INEVITABLY DRAW IN MAJOR POWERS.

14. INDOCHINA

NYT LAMENTS THAT CAMBODIANS LONG TREATED AS PAWNS
BY NVA, THEN BY US, SVN INVADERS. SHOW OF CONTINUED
SUPPORT FOR LON NOL DUE FIRST TEST IN CONGRESS THIS
WEEK; AID "WOULD BE GIVEN WILLINGLY" IF COULD BE
SHOWN HELPFUL TO FURTHER POLITICAL COMPROMISE AND
TRUCE -- BUT EVIDENCE SUGGESTS OPPOSITE: MORE MIL AID
WOULD ONLY EXTEND CAMBODIA'S MISERY "LITTLE WHILE
LONGER" (USIA WIRELESS FILE 3/3).

JOY GOULD BOYUM, IN WSJ FILM COLUMN, REVIEWS PROVOCATIVE
MOVIE, "HEARTS AND MINDS," CALLS IT "DOCUMENT OF
EXTRAORDINARY EMOTIONAL INTENSITY AND POWERFUL
PERSUASIVENESS." FINDS IT NOT ESPECIALLY CONCERNED
WITH PRO OR CON RATIONALE OF US LEADERS, ANY MORE THAN
PROVING US GUILTY OF HAVING FOUGHT UNJUST WAR.
INSTEAD SAYS IT EXPLORES AMERICAN CHARACTER, THAT MADE
IT NECESSARY -- AND SO EASY -- FOR LEADERS TO LIE
ABOUT WAR. OBSERVES FILM CONFRONTS RESISTANCE TO
LESSONS OF VN WAR, AND POSES QUESTIONS THAT NATION'S
PRIDE, INTEGRITY AND MORALITY DEMAND WE ANSWER.

MCCARTNEY (PHINQ) REVIEWS SEQUENCE OF US INCURSION INTO
CAMBODIA, SEES STORY OF THESE YEARS AS ONE OF MISPERCEP-
TIONS, FALSE PREDICTIONS, AND UNACHIEVED PROMISES. OPINES
US MUST FACE THAT IT BROUGHT WAR TO COUNTRY THAT HAD BEEN
AT PEACE. SUMMARIZES RECENT EVENTS, INCLUDING CONFUSION
OVER INTERPRETATION OF LON NOL'S STATEMENT AS OFFER TO
STEP DOWN. NOTES US HAS NO TREATY COMMITMENT TO CAMBODIA,
THOUGH PRES THINKS THERE IS "TO SOME EXTENT."

BRADSHER (S-N 2/28) REPORTS FANK USING AMMO HALF FAST

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AS IN JANUARY, THUS PUTTING OFF DAY WHEN IT WILL RUN OUT. BELIEVES REVISED ESTIMATE OF USE REDUCES URGENCY OF ADMIN CAMPAIGN FOR MORE MIL AID FOR GKR. WHETHER DROP IN AMMO USE IS TEMPORARY OR NOT CANNOT YET BE DETERMINED. QUOTES SIHANOUK THAT NVN HAS PROMISED MORE WEAPONS FOR INSURGENTS TO MAKE UP FOR US AIRLIFT. NOTES CHOU

REPORTEDLY TOLD HAK IN NOV THAT LONGER US DELAYS WITHDRAWING FROM CAMBODIA, MORE IT WOULD ENDANGER US HONOR. CONTEXT OF STATEMENT UNCLEAR, BUT ADMIN OFFICIALS HINTED AT SECRET EFFORTS TO ARRANGE NEGOTIATIONS. POINTS OUT HOPE OF CONVINCING ENEMY TO NEGOTIATE IS HELD OUT AS ONE OF JUSTIFICATIONS FOR EXTRA AID; BUT BOTH DOD AND DOS CONCEDE UNREALISTIC SO LONG AS GKR "GOING DOWNHILL."

JAY (SUN), IN CAMBODIA IN 1971, TELLS STORIES OF THOSE HEROIC DAYS BEFORE IT BECAME APPARENT CAMBODIA WAS NATION "WITHOUT A FUTURE." BELIEVES BEST POLICY TO FOLLOW NOW IS THAT OFFERED BY MANSFIELD - LET EVENTS TAKE THEIR COURSE. PREDICTS KHMERS WILL RECOVER FROM DEFEAT, BUT LIFE WILL NOT BE SAME AS IN COMFORTABLE OLD DAYS OF SIHANOUK'S "PRECARIOUS NEUTRALITY."

KRAFT (GLOBE) SEES ADMIN STRATEGY AS TRYING TO LET CAMBODIA GO WITH BANG INSTEAD OF WHIMPER, BLAME CATASTROPHE ON CONGRESS, AND GET "BLANK CHECK" FOR AID TO SVN. WONDERS HOW ANYONE CAN BLAME CONGRESS, GIVEN CLEAR RESPONSIBILITY OF CAMBODIANS. INTERPRETS HAK REMARKS AS MEANING PROBLEM NOT TO SAVE CAMBODIA, BUT KEEPING UP AID TO SVN. SAYS AMB MARTIN HAS BEEN ARGUING INSIDE DOS TO LET CAMBODIA GO, BETTER TO MAINTAIN COMMITMENTS TO SVN. STATES US HAS OPTION - NOT COMMITMENT - TO RESUPPLY GVN, UNLESS PRES OR HAK MADE SECRET COMMITMENT TO GET SAIGON TO SIGN C-F. BELIEVES STRONG RESISTANCE AGAINST COMMUNISTS IN SVN IS DECLINING, BECAUSE MOST NATIONALISTIC FORCES PUSHED INTO OPPOSITION BY THIEU. RECOMMENDS THAT IF CONGRESS ASKED TO LIVE UP TO COMMITMENT IT DID NOT MAKE, IT CAN REASONABLY INSIST THIEU LIVE UP TO C-F AND FORM "TRIPARTITE REGIME," SINCE THIS ONLY TYPE OF GOVT THAT WILL NOT GO WAY OF LON NOL'S, AND WITHOUT BROAD-BASED GOVT THERE IS NOT UNCLASSIFIED

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POINT IN MORE US AID. BELIEVES EVIDENCE IS ADMIN TRYING TO CON COUNTRY WITH CAMBODIAN GAMBIT; THAT CONGRESS SHOULD MORE THAN EVER BE ON GUARD AGAINST "FOREIGN POLICY SNOW JOB " (ALSO IN SUN, WP, 3/2).

MCGRORY (CHITRIB) NOTES HAK'S DELCINE AS "SUPERSTAR," SAYS DIFFICULT TO PINPOINT WHEN TREND STARTED. WITH CAMBODIA DYING AND VN WASTING FAST, "THERE ARE NO SOLO TURNS FOR KISSINGER," WHO TALKS ABOUT "DOMINO THEORY" WITH REPROACHES FOR THOSE WHO SNEER AT IT. POINTS OUT HAK'S "PROTEGE," VP ROCKEFELLER, TRIED TO REKINDLE OLD FLAMES WITH THRUSTS ABOUT "LIQUIDATION" AND SCAPEGOATS. NOTES ONLY MOVE LEFT IS TO BLAME CONGRESS. BELIEVES NIGHTMARE OF RECRIMINATIONS" OBVIOUSLY NOT GOING TO MATERIALIZE, AND US DOES NOT WISH TO FINANCE PROLONGATION

OF VN AGONY. CALLS HAK ANALOGY BETWEEN VN AND ISRAEL "FINAL, HALF-HEARTED FEINT," SINCE AMERICANS CAN TELL DIFFERENCE BETWEEN SAIGON AND JERUSALEM AND ARE STOICAL ABOUT TERMINATION OF MIL AID TO SEA.

ANDERSON/WHITTEN CITE CLASSIFIED CABLES FROM AMEMBASSY PP THAT COMMUNISTS TURN ON CIVIL POPULATION WITH "SUDDEN SAVAGERY" AS CAMBODIAN FIGHTING NEARS SHOWDOWN; AMB DEAN CABLES THAT VILLAGERS WHO RESIST OVERTURES ARE MAIN ENEMY OF COMMUNISTS, BUDDHIST MONKS NEXT, FANK TROOPS THIRD (USIA WIRELESS FILE 3/3). KISSINGER

NOTE BY OC/T: POUCHED BUDAPEST.

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